



During the period in question, and in fact for all of 2003, none of these individuals were employees of the Democratic Party of Wisconsin, but were paid as independent contractors. The Democratic Party of Wisconsin provided independent contractors required IRS Forms 1099-Misc, consistent with IRS 2004 Instructions for Form 1099-Misc. Additionally, the Democratic Party of Wisconsin filed IRS Form 1096, Annual Summary and Transmittal of US Information Returns, dated 2/10/04, reporting to the IRS, as required, these payments to independent contractors. Copies of these forms are on file in the office of the Democratic Party of Wisconsin and are available for review upon request.

In addition, the Democratic Party of Wisconsin is monitoring employee activity on a monthly basis to comply with 11 CFR 300.33(c)(2), salaries and wages for employees who spend more than 25% of their compensated time in a given month on Federal election activity (FEA) or activities in connection with a Federal election must not be allocated between or among federal, non-federal and Levin accounts. Rather, only federal funds may be used. The first salary and wage payments for employees of the Democratic Party of Wisconsin, using only federal funds, in compliance of this requirement, occurred in January 2004, and is expected to continue, as required, for the balance of 2004. Democratic Party of Wisconsin employees will be paid from federal funds as they achieve the 25% monthly compensation time FEA trigger.

- 2) Schedule H4 supporting Line 21(a) of your report discloses a payment(s) for "Printing", "Printing - membership cards" and "Printing - Training." Please be advised that pursuant to 11 CFR 300.33 (c)(1), expenditures for public communications (as defined by 11 CFR 100.26) that refer to a clearly identified candidate for Federal office and that promote, support attack or oppose any such candidate for Federal office must not be allocated between or among federal and non-federal accounts. Only federal funds may be used.

Please provide further clarification regarding this activity, specifically whether it referenced and promoted, supported, attacked or opposed a clearly identified candidate for Federal office.

Response: For the period in question, 1/1/03-6/30/03, payments to vendors for various printing projects were made for various types of materials. Working with our vendors, the Democratic Party of Wisconsin has reviewed all print production for the period in question, and has confirmed that none of the printed materials were public communications containing Federal Election Activity. Further, the Democratic Party of Wisconsin has implemented a review process for samples of each print production at invoice receipt, to insure appropriate classification of these materials on future reports. Future reports will specifically address this classification question, with an annotation of "non FEA activity" for each payment, as appropriate.